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ARIZONA CORPORATION COMMISSION

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AZ CORP COMMISSION  
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The Honorable Ken Bennett  
Arizona State Senate  
1700 W. Washington  
Phoenix, AZ 85007

The Honorable Jake Flake  
Arizona House of Representatives  
1700 W. Washington  
Phoenix, AZ 85007

*Re: Wireless Carriers and Consumers*

DOCKET NO. RT-00000J-99-0034

Dear President Bennett and Speaker Flake:

I hope you enjoy some peace and quiet in the aftermath of the Session. As you know, I worked on State budgets during some good times. Even then it was hard work, and I know your mountain was much higher to climb.

We at the Commission were disappointed a grant of authority to promulgate rules on unauthorized charges for wireless failed to pass. As I conveyed to you earlier, this is a basic fairness issue, to competitive telecom carriers as well as to consumers. The wireless industry's massive lobbying campaign does not change the facts.

I enclose letters from Commissioners and the Commission's filing with the Federal Communications Commission ("FCC") regarding an exciting new technology that the Legislature has already used, Voice over Internet Protocol ("VoIP"). Although there are some disagreements among the Commissioners on public safety aspects of this technology, the Arizona Commission has taken a deregulatory approach. **The Arizona Commission has rejected the more intrusive rules proposed by California, New York and Minnesota.**

The Arizona Corporation Commission believes in inter-modal competition among competing technologies, including copper wire, cable, satellite, internet and wireless. That is why application of the basic rules governing unauthorized charges, now in force for wireline carriers (approved last month by the Office of the Attorney General) is so critical to telecommunications in Arizona.

I committed to each of you before the Session to seek compromise. I later learned the industry's national position was not only to reject all forms of compromise but to scorch the earth with multitudes of lobbyists and litigators. I enclose articles from the press depicting the need for legislation and the intractable lobbying position taken by the industry. "Nothing is good enough for them," said my friend Commissioner Brown. I learned that lesson as well, the hard way.

Arizona Corporation Commission

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The **status quo** of anarchy is unacceptable to anyone who believes in free markets, fair competition and rule of law. It is important that the Arizona Commission's free market, deregulatory approach not be viewed by the wireless carriers as a sign of weakness, nor an indifference to public safety and consumer protection. Moreover, failure to level the playing field gives cellular carriers a competitive advantage over competitors in a highly competitive industry. This is contrary to the rule of government.

Our Commission cannot, and will not, allow the public health, safety or welfare to be compromised.

It is imperative, in my view, that Legislative leadership indicate to the cellular lobbyists that the present unlevel playing field is unacceptable and untenable, and that they can work with our Commission on fair rules, or rules will be imposed out of necessity upon their default.

Please contact me at any time on this important matter.

Very truly yours,



Marc Spitzer  
Chairman

Enclosures:

cc: Commissioner William Mundell  
Commissioner Jeff Hatch-Miller  
Commissioner Mike Gleason  
Commissioner Kristin Mayes